

# FINANCIAL SERVICES

## MISSION STATEMENT

The Financial Services Department is committed to quality and excellence ensuring the financial integrity of the City and its related agencies while providing efficient, courteous service.

## DESCRIPTION

The Financial Services Department is responsible for providing quantitative financial information as well as qualitative fiscal management of City funds. This enables the City Council, City departments and agencies to make informed decisions on the allocation of available resources through the careful analysis of revenues and expenditures. The department also maintains a balanced City budget, and provides the City's financial condition and the results of its operations in the fiscal year-end Comprehensive Annual Financial Report (CAFR).

The department provides a wide range of services including budget, purchasing, accounts receivable and revenue collection, fixed asset management, payroll, accounts payable, accounting, deferred compensation administration, Public Employees' Retirement System (PERS) reporting, debt management, and internal audit management.

## OBJECTIVES

The Financial Services Department closely adheres to the City Council's adopted Financial Policies. These include maintaining a balanced operating budget for all governmental funds, monitoring all proprietary funds to ensure that they remain self-supporting, maintaining appropriate reserves, and complying with all bond covenants. The department will closely monitor the fiscal operations of the City in conjunction with the City's Ten-Year Strategic Plan Goals.

The department's staff will comply with the changes in reporting requirements and adhere to the principles of the Governmental Accounting Standards Board (GASB). Staff will provide ongoing training and support to City employees in the Oracle financials module and maintain a high level of customer service to the other departments, residents and businesses.

The department will continue to produce an award winning Annual Budget, CAFR and Capital Improvement Program (CIP) Budget that is recognized by both the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO).

The City and its related agencies bonded indebtedness will continue to be monitored including debt service payments, bondholder relations, arbitrage coordination, continuing disclosure requirements and internal controls.

## CHANGES FROM PRIOR YEAR

The department was able to meet it's budget reductions by reorganizing staff, decreasing overtime expenses, restructuring a collection agency contract and reducing professional service fees which will save \$40,018. In addition, a one-time savings of \$54,001 was realized by releasing uncollected SB90 claims.

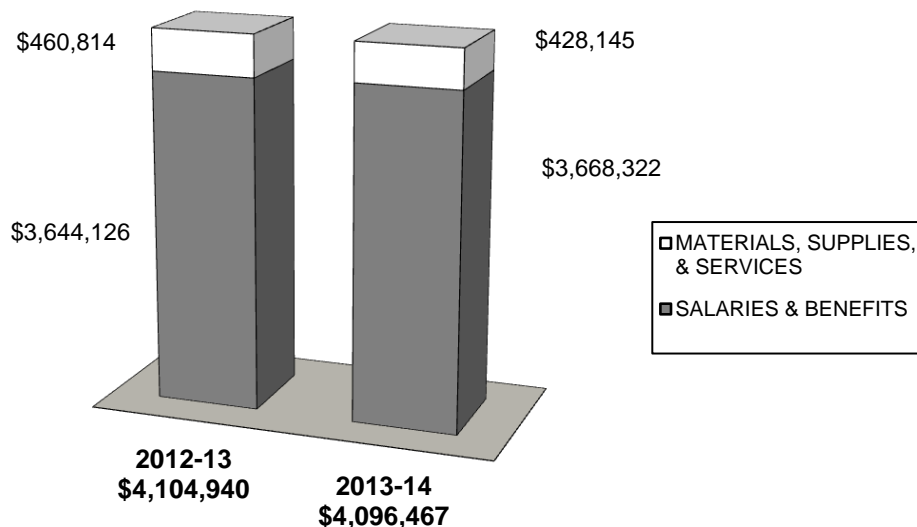
Fee Schedule changes include a request to change a Return Item Fee to conform with Civil Code, a Collection Agency Referral Fee from a flat fee to a percentage fee and other changes to materials produced by the City according to the Consumer Price Index (CPI).

## DEPARTMENT SUMMARY

	EXPENDITURES 2011-12	BUDGET 2012-13	BUDGET 2013-14	CHANGE FROM PRIOR YEAR
<b>Staff Years</b>	32.000	32.000	31.800	(0.200)
<b>Salaries &amp; Benefits</b>	\$ 3,658,672	\$ 3,644,126	\$ 3,668,322	\$ 24,196
<b>Materials, Supplies, Services</b>	501,090	460,814	428,145	(32,669)
<b>TOTAL</b>	<b>\$ 4,159,762</b>	<b>\$ 4,104,940</b>	<b>\$ 4,096,467</b>	<b>\$ (8,473)</b>

# FINANCIAL SERVICES

## *Department Summary*



### **2012-13 WORK PROGRAM HIGHLIGHTS**

- Adopted a balanced budget totaling approximately \$638 million.
- For the 21st year in a row, the City received the Government Finance Officers Association's (GFOA's) Distinguished Budget Presentation Award for FY 2012-13. This is the highest form of recognition in governmental budgeting.
- The City's FY 2012-13 Adopted Annual Budget and Capital Improvement Program (CIP) Budget received the Excellence in Operating Budget Award and Excellence in Capital Budget Award by the California Society of Municipal Finance Officers (CSMFO).
- For the 29th consecutive year, the Comprehensive Annual Financial Report (CAFR) received the GFOA's annual national achievement award.
- Began the creation of the Fund Health Report Cards to assess the fiscal health of City funds by ongoing periodic reviews. This includes evaluating fund performance based on cash flow, asset/liability valuations and reserves, and addressing legislative risks that may affect future revenues and increasing expenditures. Fourteen Health Report Cards have been completed to date.
- Added an enhancement to the Deferred Compensation Program by allowing employees the ability to make additional payments towards their loans.
- Completed tri-city joint purchase with Digital EMS Solutions for electronic patient care reporting. Savings to Burbank over three years will be \$37,434.
- Implemented the Affordable Care Act's requirement of reporting employer-sponsored group health coverage costs on employee W2's for 2012.
- Achieved some process improvements within the Oracle Advanced Collection module to increase efficiencies in collection procedures.
- Transitioned to a paperless process for Public Works construction bid solicitations by making it feasible for vendors to download documents electronically.
- Developed and presented the Purchasing 101 training session, and posted Purchasing training materials on BEN.
- Issued all blanket purchase orders before June 2013 to facilitate department needs and increase Purchasing Division customer support.
- Met the requirements to apply for the Achievement of Excellence in Procurement (AEP) award through the National Procurement Institute (NPI). Application submitted in May 2013.
- Made improvements to the Capital Improvement Program Budget for better project reporting in line with Council's strategic planning goals of increasing accountability and transparency.
- Transitioned the Citywide administration of procurement cards from Budget to Purchasing.
- Completed RFP process for investment consulting services for the \$457 Deferred Compensation Plan.
- Established quarterly meetings with departments to address issues, provide support, establish CIP schedules, and identify training needed to increase customer service levels.

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## 2013-14 WORK PROGRAM GOALS

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- Submit an award winning Comprehensive Annual Financial Report (CAFR), Budget and CIP.
- Monitor any newly issued Governmental Accounting Standards Board (GASB) pronouncements, specifically GASB No. 68, Accounting and Financial Reporting for Pensions, which would be effective for the City in FY 14-15. Following GASB helps assure the public and the financial community that the City's finances are being handled competently.
- Monitor appropriate accounting policies and procedures for the former Redevelopment Agency and its Successor Agency and determine its fiscal impact to the five-year financial forecast.
- Meet all required reporting for State, Federal and other governmental agencies and submit the annual State Controller's Report.
- Continue to implement and monitor the Fund Health Report Cards for various City funds on an ongoing basis.
- Work with BWP to implement a new Customer Care and Billing (CCnB) computer system. Assist with the creation of electronic interfaces to the Oracle system and design of the CCnB system.
- Complete both Unit testing and Integrated testing for the year-end payroll patch in the Oracle system for tax year 2014.
- Continue to work on a multi year plan to review and complete the documentation of the Finance Department's internal controls and implement a plan to carry out and expand the review to other departments citywide. Internal controls are required to ensure appropriate safeguards are in place to protect tax payer dollars. In order to evaluate and monitor the adequacy and compliance of the City internal controls, the Finance Department will work towards identifying the appropriate firm to review and document the City's internal controls.
- Review the Accounts Payable Oracle processes to ensure efficient utilization of the Accounts Payable module.
- Continue to improve collection policies, procedures, and process improvements within the Oracle Advanced Collection module to increase efficiencies, collection performance, reporting, as well as minimize outstanding balances of aged receivables.
- Implement new Accounts Payable procedures to ensure California Sales Tax compliance.
- Complete an update of the Accounts Payable desk manual for documentation of processes and procedures.
- Cross-train the Payroll Staff on Wage Garnishment, CalPERS Reporting and Disability programs.
- Work with the City Treasurer's Office to implement electronic submission of bi-weekly CalPERS payments.
- Continue to maintain a balanced City budget and update the 5-year long range financial forecast within + or -3% of actual results by continually monitoring any future projected budget shortfalls.
- Utilize the Burbank Employee Network (BEN) portal as a resource and communication tool for City employees. Post all available financial forms including budget forms for easy access. This will increase customer service and provide the latest Financial Services department news and information on training schedules and calendar events.
- Continue to monitor CalPERS pension costs and incorporate the fiscal impact into the Budget and the five-year financial forecast.
- Investigate the feasibility of accepting Public Works construction bid submittals online using e-procurement to streamline the process and further increase efficiency.
- Evaluate the feasibility of "paperless purchasing" and sending out digital purchase orders to vendors and departments to increase efficiency and save paper and reproduction costs.
- Issue all blanket purchase orders by June 2014 for FY 2014-15 to facilitate department needs and increase Purchasing Division customer support.
- For the first time, receive the Achievement of Excellence in Procurement (AEP) award for 2013 through the National Procurement Institute (NPI).
- Create a collections desktop manual to formally document collection processes and procedures and provide guidelines to staff.

# Accounting/Administration Division

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The Accounting/Administration Division is responsible for the development, implementation, and maintenance of effective financial accounting systems and controls. The Division provides for management control over the City's financial operations by ensuring the ability to present fairly, and with full disclosure on a timely basis, the financial position of the City. This division is responsible for the development of long range financial planning and fiscal support functions to other City departments and other responsible agencies. Payroll, debt management, deferred compensation/PERS reporting, accounts payable, accounting and financial reporting, as well as managing of internal audits are handled in this division.

## OBJECTIVES

- Complete month-end closings of all Oracle financial modules in a timely manner.
- Issue the June 30, 2013 Comprehensive Annual Financial Report (CAFR) that meets the GFOA award program guidelines for excellence in financial reporting.
- Coordinate Annual Financial Audit with outside auditors.
- Provide initial and ongoing training for all Oracle Financial users.
- Complete State Controller's Reports, Street Reports, and Comprehensive Annual Financial Reports (CAFR's) within applicable deadlines.
- Work with Information Technology to implement ongoing enhancements for the Enterprise Resource Planning (ERP) system.
- Work with other departments to update and maintain a five-year cash flow analysis for Refuse, Sewer, Golf, Gas Tax, Parking Authority, Transportation funds, Housing funds, and Internal Service funds.
- Issue all employee and vendor tax statements accurately and within applicable deadlines.
- Perform system requirements documentation with the Information Technology Department.
- Debt administration for all bond issues.
- Enhance interdepartmental communications and customer service through ongoing training and department meetings.
- Coordinate the City's Internal Audit Program.

## CHANGES FROM PRIOR YEAR

Due to a retirement, the department was able to reorganize staff within the Division. The staffing changes will save \$10,018 in salaries and benefits. A decrease in overtime costs will also save the department \$5,000.

Additionally, the search for a new external audit firm will help reduce Other Professional Service fees by \$15,000.

## DIVISION SUMMARY

	EXPENDITURES 2011-12	BUDGET 2012-13	BUDGET 2013-14	CHANGE FROM PRIOR YEAR
Staff Years	17.000	17.000	16.800	(0.200)
Salaries & Benefits	\$ 1,991,433	\$ 1,993,803	\$ 1,998,831	\$ 5,028
Materials, Supplies, Services	264,526	273,276	273,431	155
<b>TOTAL</b>	<b>\$ 2,255,959</b>	<b>\$ 2,267,079</b>	<b>\$ 2,272,262</b>	<b>\$ 5,183</b>

# Budget/Purchasing/Revenue Division

001FN02A

The Budget Section's main function includes the preparation, development and publication of the Annual Adopted Budget and the Capital Improvement Program (CIP) budgets. The division works with all City departments in obtaining revenue estimates, analyzing expenditures and assisting on budget amendments during the fiscal year. The Division submits a Proposed Budget document to Council for review prior to adoption. The Budget division also provides reports regarding the financial status of the City during the fiscal year.

Purchasing provides centralized control over the issuance of purchase orders and contracts with respect to the procurement of goods and services, and provides administrative management of the City's procurement card program.

The Revenue Section is responsible for managing the revenue operations of the City by monitoring the City's major revenues, such as Sales Tax and Property Tax. It is also responsible for the City's billed receivables, including the collection of citywide delinquent accounts. The division handles grants management and revenue forecasting.

## OBJECTIVES

- Prepare, publish and maintain a balanced Annual Operating and CIP Budget.
- Anticipate potential economic impacts from changing conditions, State budget impacts to Burbank, State and Federal legislation to the City, and recommend and/or take measures to mitigate or minimize those impacts.
- Coordinate the annual cost allocation plan.
- Prepare the annual update of the Burbank Fee Schedule.
- Publish the annual Adopted Budget at a Glance brochure.
- Provide ongoing training to all departments on the Oracle Purchasing and Accounts Receivable modules.
- Enhance interdepartmental communications and customer service through ongoing training and department meetings.
- Support Citywide purchasing needs by assisting departments in preparing bid specifications and request for proposals as well as negotiating contract terms.
- Provide the City Manager and City Council ongoing status reports on the City's financial condition.
- Administer the City's billed receivables and maintain the collection of delinquent accounts for all departments.
- Provide departments with analytical support for special studies such as revenue analysis for proposed new fees and funding sources.

## CHANGES FROM PRIOR YEAR

Reductions in Materials, Services & Supplies include a restructured Collection Agency contract which will save \$10,000 in contract fees.

## DIVISION SUMMARY

	EXPENDITURES 2011-12	BUDGET 2012-13	BUDGET 2013-14	CHANGE FROM PRIOR YEAR
Staff Years	15,000	15,000	15,000	
Salaries & Benefits	\$ 1,667,239	\$ 1,650,323	\$ 1,669,491	\$ 19,168
Materials, Supplies, Services	236,564	187,538	154,714	(32,824)
<b>TOTAL</b>	<b>\$ 1,903,803</b>	<b>\$ 1,837,861</b>	<b>\$ 1,824,205</b>	<b>\$ (13,656)</b>

# Accounting/Administration

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		EXPENDITURES FY 2011-12	BUDGET FY 2012-13	BUDGET FY 2013-14	CHANGE FROM PRIOR YEAR
STAFF YEARS		17.000	17.000	16.800	(0.200)
SALARIES & BENEFITS					
60001	Salaries & Wages	\$ 1,330,173	\$ 1,366,415	\$ 1,359,245	\$ (7,170)
60006	Overtime	238	10,000	5,000	(5,000)
60012	Fringe Benefits	298,150	268,089	272,424	4,335
60012.1008	Fringe Benefits - Retiree Benefits		484	8,228	7,744
60012.1509	Fringe Benefits - Pension	319,902	310,229	295,029	(15,200)
60012.1528	Fringe Benefits - Workers Comp	29,704	34,098	54,417	20,319
60015	Wellness Program	225			
60022	Car Allowance	4,505	4,488	4,488	
60031	Payroll Adjustment	8,536			
		<b>1,991,433</b>	<b>1,993,803</b>	<b>1,998,831</b>	<b>5,028</b>
MATERIALS, SUPPLIES, SERVICES					
DISCRETIONARY					
62085	Other Professional Services	\$ 181,103	\$ 189,404	\$ 190,832	\$ 1,428
62300	Special Departmental Supplies	6,143	7,000	6,200	(800)
62310	Office Supplies	13,190	14,903	12,978	(1,925)
62420	Books & Periodicals	1,904	860	860	
62440	Office Equip Maint & Repairs	165	500	500	
62455	Equipment Rentals	9,246	9,600	10,800	1,200
62700	Memberships & Dues	1,654	1,369	1,369	
62710	Travel	359	4,629	4,629	
62755	Training	4,578	4,181	4,181	
62895	Miscellaneous	1,870	900	1,625	725
NON-DISCRETIONARY					
62470	F533 Office Equip Rental			634	634
62485	F535 Comm Equip Rental	20,165	19,129	19,129	
62496	F537 Computer Equip Rental	24,149	20,801	19,694	(1,107)
		<b>264,526</b>	<b>273,276</b>	<b>273,431</b>	<b>155</b>
<b>PROGRAM TOTAL</b>		<b>\$ 2,255,959</b>	<b>\$ 2,267,079</b>	<b>\$ 2,272,262</b>	<b>\$ 5,183</b>

# Budget/Purchasing/Revenue

001FN02A

		EXPENDITURES	BUDGET	BUDGET	CHANGE FROM
		FY 2011-12	FY 2012-13	FY 2013-14	PRIOR YEAR
STAFF YEARS		15.000	15.000	15.000	
SALARIES & BENEFITS					
60001	Salaries & Wages	\$ 1,106,551	\$ 1,132,443	\$ 1,133,515	\$ 1,072
60006	Overtime	258	500	500	
60012	Fringe Benefits	264,583	231,496	238,917	7,421
60012.1008	Fringe Benefits - Retiree Benefits		484	7,260	6,776
60012.1509	Fringe Benefits - Pension	267,169	260,599	247,610	(12,989)
60012.1528	Fringe Benefits - Workers Comp	23,313	24,801	41,689	16,888
60031	Payroll Adjustment	5,365			
		<b>1,667,239</b>	<b>1,650,323</b>	<b>1,669,491</b>	<b>19,168</b>
MATERIALS, SUPPLIES, SERVICES					
DISCRETIONARY					
62085	Other Professional Services	\$ 119,634	\$ 114,626	\$ 98,198	\$ (16,428)
62170.1001	Private Contract Serv-Temp Staff	31,011			
62300	Special Departmental Supplies	4,104	4,128	4,128	
62310	Office Supplies	6,751	7,845	6,800	(1,045)
62405	Uniforms & Tools	41			
62420	Books & Periodicals		200	100	(100)
62440	Office Equip Maint & Repairs	300	200	200	
62455	Equipment Rentals	6,181	6,701	8,546	1,845
62700	Memberships & Dues	1,470	1,610	1,670	60
62710	Travel	2,856	3,200	3,090	(110)
62755	Training	3,875	4,180	4,180	
62895	Miscellaneous	519	400	550	150
NON-DISCRETIONARY					
62220	Insurance	42,896	29,863	12,642	(17,221)
62470	F533 Office Equip Rental			647	647
62485	F535 Comm Equip Rental	5,688	5,687	5,687	
62496	F537 Computer Equip Rental	11,238	8,898	8,276	(622)
		<b>236,564</b>	<b>187,538</b>	<b>154,714</b>	<b>(32,824)</b>
<b>PROGRAM TOTAL</b>		<b>\$ 1,903,803</b>	<b>\$ 1,837,861</b>	<b>\$ 1,824,205</b>	<b>\$ (13,656)</b>

## **FINANCIAL SERVICES**

### **AUTHORIZED POSITIONS**

CLASSIFICATION TITLES Full Time	STAFF YEARS 2011-12	STAFF YEARS 2012-13	STAFF YEARS 2013-14	CHANGE FROM PRIOR YEAR
FINANCIAL SRVCS DIR	1.000	1.000	1.000	
DEPUTY FINC SRVCS DIR	2.000	2.000	2.000	
PURCHASING MGR	1.000	1.000	1.000	
GRANTS & REV MANAGER	1.000	1.000	1.000	
ADMINISTRATIVE OFFICER	1.000	1.000	1.000	
SR BUYER	1.000			
SR ADMIN ANALYST	1.000	1.000	2.000	1.000
ADMIN ANALYST II	1.000	1.000	2.000	1.000
PRINCIPAL ACCOUNTANT	1.000	1.000	1.000	
ACCT/AUDIT MANAGER	1.000	1.000	1.000	
FIN SYSTEMS MANAGER	1.000	1.000	1.000	
SR ACCOUNTANT	1.000	1.000	1.000	
BUYER II	1.000	2.000	2.000	
BUYER I		1.000	1.000	
ACCOUNTANT	2.000	2.000	2.000	
SUPV ACCOUNT CLERK	3.000	2.000	1.000	-1.000
SR. COLLECTIONS SPECIALIST	1.000	1.000	1.000	
ADMINISTRATIVE ANALYST I	3.000	3.000	1.000	-2.000
PAYROLL TECH II	1.000	1.000	1.000	
ACCOUNT CLERK	4.000	4.000	4.000	
SR. CLERK	1.000	1.000	1.000	
EXECUTIVE ASSISTANT	1.000	1.000	1.000	
INTERMEDIATE CLERK	2.000	2.000	2.000	
	*	*	*	
TOTAL FULL TIME	32.000 (32)	32.000 (32)	31.000 (31)	-1.000
Part Time			*	
ACCOUNT CLERK			0.800 (1)	0.800
TOTAL PART TIME			0.800 (1)	0.800
	*	*	*	
<b>TOTAL STAFF YEARS</b>	32.000 (32)	32.000 (32)	31.800 (32)	-0.200

\* INDICATES THE NUMBER OF PERSONNEL CORRESPONDING TO THE GIVEN NUMBER OF STAFF YEARS